Form **1040NMI**

# Employee's Annual Wage and Salary and Earnings Tax Return

(Instructions on reverse side)

**2026**

DRT Use only–Do not write in this space

| First name and middle initial | Last name | U.S. social security number | Citizenship |
|---|---|---|---|
| | | | |

| Present home address | Mailing address | Zip Code |
|---|---|---|
| | | |

**PART A**

**Wage and salary tax computation**

| | | |
|---|---|---|
| 1 | CNMI wages and salaries from Form(s) W-2CM | 1 |
| 2 | Other CNMI wages and salaries not included in line 1 | 2 |
| 3 | Total CNMI wages and salaries (add lines 1 and 2) | 3 |
| 4 | Amount on line 3 not subject to the wage and salary tax (attach Schedule WSD) | 4 |
| 5 | Taxable CNMI wages and salaries (subtract line 4 from line 3) | 5 |
| 6 | Tax. Annual wage and salary. (See tax table on reverse side). | 6 |

**PART B**

**Earnings tax computation**

| | | | | |
|---|---|---|---|---|
| 1 | Gain from the sale of personal property | | | 1 |
| 2 | One half of the gain from the sale of real property (see instructions) | | | 2 |
| 3 | One half of the net income from leasing of real property | | | 3 |
| 4a | Gross winnings from any gaming, lottery, raffle, etc | 4a | | |
| 4b | Less amount excludable | 4b | 4c Balance ▶ | 4c |
| 5 | Other income subject to the earnings tax unless excludable under the earnings tax. | | | 5 |
| 6 | Taxable income subject to earnings tax (add lines 1 through 3, line 4c, and line 5 | | | 6 |
| 7 | Annual earnings tax. (See tax table on reverse side) | | | 7 |

**PART C**

**Combined chapter 2 tax due or overpayment**

| | | |
|---|---|---|
| 1 | Wage and salary tax and earnings tax. Add line 6 Part A and line 7 Part B | 1 |
| 2 | Education tax credit (attach Schedule ETC) | 2 |
| 3 | Tax after education tax credit. If line 2 is greater than line 1, enter zero. Otherwise subtract line 2 from line 1 | 3 |
| 4a | Enter total wage and salary tax withheld as shown on Form W-2CM/W-2 2026 (see instructions) | 4a |
| 4b | Enter the total chapter 2 earnings tax withheld and paid in 2026 from Form(s) 1823, line H | 4b |
| 4c | Enter the total estimated chapter 2 tax paid in 2026 from Form(s) 500-ES, line G2 | 4c |
| 4d | Add lines 4a, 4b, and 4c | 4d |
| 5 | Wage and salary tax and earnings tax due. Subtract line 4d from line 3. If zero or less enter zero | 5 |
| 6 | Wage and salary tax and earnings overpaid. Subtract line 3 from line 4d. If zero or less enter zero | 6 |

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of perparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**SIGN HERE** ▶ Your signature _____ Date _____ ▶ Occupation _____

**Paid Preparer use only**

| Preparer's signature ▶ | Date | Check ☐ if self employed | Preparer's social security number |
|---|---|---|---|
| Firm's name (or yours if self-employed), address, and ZIP Code ▶ | | EIN | |
| | | Telephone no. ( ) | |

**INSTRUCTIONS FOR FORM 1040NMI (2026)**

**NOTE: Any person who has any income derived in the CNMI and is not required to file a NMTIT return (1040CM) in the CNMI must file this return.**

Type or print your first name, middle initial and last name in the space provided. Enter your citizenship, present home address (village), and your complete mailing address, i.e. Post Office box number or general delivery, state, and zip code in the space provided. Type or print your U.S. Social Security number. If you do not have a U.S. Social Security Number you must obtain one at the U.S. Social Security Administration office. If you are not eligible to have a U.S. Social Security number, enter the taxpayer identification number (TIN) assigned to you on the space provided.

**PART A Wage and Salary Tax Computation**

**1.** Enter the total wages and salaries received for work performed in the CNMI per Form(s) W-2CM, box 16. If two or more Form W-2CM were received, combine the wages and salaries and enter the total.

**2.** Enter other wages and salaries received for work performed in the CNMI which Form(s) W-2CM were not issued or received, i.e. tips, bonuses, freelance income, etc.

**3.** Add lines 1 and 2 and enter the total on this line.

**4.** Enter the amount not subject to the wage and salary tax. This includes amount in the CNMI government/agency employee's W-2CM box 12, i.e. housing benefits included in line 1, etc. Complete and attach Schedule WSD Wage and Salary Deduction for deductions taken on this line. If Schedule WSD is not attached, the deduction will be disallowed.

**5.** Subtract line 4 from line 3. This is your CNMI wages and salaries that is subject to the wage and salary tax.

**6.** Compute your tax liability on income reported on line 5 by using the wage and salary and earnings tax table below.

**TAX TABLE FOR WAGE AND SALARY AND EARNINGS TAX COMPUTATION**

| FROM | TO | RATE |
|---|---|---|
| (a) 0 | 1,000.00 | 0 |
| (b) 1,000.01 | 5,000.00 | 2.0% |
| (c) 5,000.01 | 7,000.00 | 3.0% |
| (d) 7,000.01 | 15,000.00 | 4.0% |
| (e) 15,000.01 | 22,000.00 | 5.0% |
| (f) 22,000.01 | 30,000.00 | 6.0% |
| (g) 30,000.01 | 40,000.00 | 7.0% |
| (h) 40,000.01 | 50,000.00 | 8.0% |
| (i) 50,000.01 | and over | 9.0% |

**PART B Earnings Tax Computation**

**1.** Enter the amount of any gain from the sale of personal property (not business property).

**2.** Enter one-half (1/2) of the amount of any gain from the sale of real property located in the CNMI that was not used in the course of carrying on a business. Exclude any gain from the sale of real property to the CNMI Government for public purpose.

**3.** Enter one-half (1/2) of the net income from leasing of real property located in the CNMI including the assignment of any lease that was not in the course of carrying on a business.

**4a** Enter the gross winnings from poker machine jackpot, any gaming, lottery, raffle, or other gambling activities in the CNMI.

**4b.** Enter the amount of poker machine jackpot winnings if jackpot tax was withheld. Attach a copy of Form(s) W-2GCM.

**4c.** Subtract line 4b from line 4a.

**5.** Enter other income subject to the earnings tax unless it is excludable.

**6.** Add lines 1, 2, 3, 4c, and 5 of this part. This is the taxable earnings income subject to the earnings tax.

**7.** Annual earnings tax. Compute the tax liability on income reported on line 6 by using the wage and salary and earnings tax table above.

**PART C Combined Wage and Salary Tax and Earnings Tax Due or Overpaid**

**1.** Add the amount on line 6 of Part A and line 7 of Part B. This is your combined Chapter 2 tax due or (overpaid).

**2.** Enter the amount, if any, of cash contributions made during the tax year to a qualified educational institution or other tax-exempt educational institution located in the CNMI. The maximum education tax credit (ETC) allowable is the lesser of cash contributions or the aggregate amount of wage and salary tax, earnings tax, and business gross revenue tax liability. ETC may not exceed $5000.

**3.** Subtract line 2 from line 1. If line 2 is more than line 1, enter zero. This is the Chapter 2 tax after educational tax credit.

**4a.** Enter the total wage and salary tax withheld as shown on 2026 Form(s) (a) W-2CM/W-2, (b) W-2GCM Box 15, (c) 1042-S Box

17a. **4b.** Enter the total chapter 2 tax withheld and paid on 2026 from Payment Deposit Form(s) 1823, line H.

**4c.** Enter the total estimated chapter 2 tax withheld and paid in 2026 from Payment Deposit Form(s) 500-ES, line G2.

**4d.** Add lines 4a, 4b, and 4c.

**5.** Wage and salary tax and earnings tax due. Subtract line 4d from line 3. If zero or less, enter zero. If line 5 is an amount due and the return is filed and/or the tax is paid after the deadline, the amount due is subject to penalty and interest. The penalty is 5% for failure to file and ½ of 1% for failure to pay for each month or fraction of a month after the due date, plus interest at prevailing NMTIT rate(s). Please include these charges in your payment; otherwise, we will bill you for it.

**6.** Wage and salary tax and earnings tax overpaid. Subtract line 3 from line 4d. If zero or less, enter zero.

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You must sign your name on the line provided before filing this return. If this return is prepared by a tax preparer, the preparer must also sign on the line provided


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